

1-1 By: Estes, et al. S.B. No. 18
1-2 (In the Senate - Filed July 18, 2017; July 20, 2017, read
1-3 first time and referred to Select Committee on Government Reform;
1-4 July 23, 2017, reported favorably by the following vote: Yeas 5,
1-5 Nays 2; July 23, 2017, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11		X		
1-12	X			
1-13	X			
1-14		X		

1-15 A BILL TO BE ENTITLED
1-16 AN ACT

1-17 relating to a limit on local government expenditures.
1-18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-19 SECTION 1. Chapter 140, Local Government Code, is amended
1-20 by adding Section 140.012 to read as follows:
1-21 Sec. 140.012. LIMIT ON ANNUAL EXPENDITURES. (a) In this
1-22 section, "local government" means a municipality or county.
1-23 (b) Except as provided by Subsection (d), a local
1-24 government's total expenditures from all available sources of
1-25 revenue in a fiscal year may not exceed the greater of:
1-26 (1) the local government's total expenditures from all
1-27 available sources of revenue in the preceding fiscal year; or
1-28 (2) an amount determined by multiplying:
1-29 (A) the local government's total expenditures
1-30 from all available sources of revenue in the preceding fiscal year;
1-31 and
1-32 (B) the sum of one and the rate most recently
1-33 published by the Legislative Budget Board under Subsection (c).
1-34 (c) Not later than January 31 of each year, the staff of the
1-35 Legislative Budget Board shall publish a rate equal to the product
1-36 of:
1-37 (1) the rate of growth of this state's population
1-38 during the preceding calendar year, using the most recent estimates
1-39 published by the United States Census Bureau; and
1-40 (2) the rate of monetary inflation in this state
1-41 during the preceding calendar year, using the effective consumer
1-42 price index for all items for this state as determined by the
1-43 Legislative Budget Board based on information published by the
1-44 Bureau of Labor Statistics of the United States Department of
1-45 Labor.
1-46 (d) A local government's total expenditures from all
1-47 available sources of local revenue in a fiscal year may exceed the
1-48 amount described by Subsection (b) if:
1-49 (1) the local government's voters approve the
1-50 additional expenditures for that fiscal year at an election called
1-51 for that purpose and held on a uniform election date; or
1-52 (2) the governor declares or renews a declaration of a
1-53 state of disaster under Section 418.014, Government Code, in that
1-54 fiscal year, and the governor's designation of the area threatened
1-55 includes all or part of the geographic territory of the local
1-56 government.
1-57 (e) Revenue received from the issuance of bonds approved by
1-58 the voters or from a grant, donation, or gift is not considered an
1-59 available source of revenue for the purposes of this section.
1-60 SECTION 2. Section 140.012, Local Government Code, as added
1-61 by this Act, applies only to a fiscal year of a municipality or

2-1 county that begins on or after December 1, 2017.

2-2 SECTION 3. This Act takes effect December 1, 2017.

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